

**Pollution Solutions**  
**R.D. Palmer, Jr.; Owner**

**July 14, 2006**

Federal Trade Commission  
Office of the Secretary  
600 Pennsylvania Avenue, NW Room H-135 (Annex W)  
Washington, DC 20580

**Re: My Opposition to Business Opportunity Rule R511993**

To Whom It May Concern:

I am in full agreement with efforts by the FTC to protect consumers from fraudulent activities and unscrupulous companies. I also believe that such initiatives on your part can be quite helpful to the many legitimate companies that operate ethically and honestly.

I am concerned, however, with some of the phraseology in this proposed rule. While I understand that it is part of the FTC's responsibility to protect the public from "unfair and deceptive acts and practices," some sections in the proposed rule would make it extremely difficult, if not impossible, for me to market the technology-based products at the core of my business. I believe, in fact, that Rule R511993 in its present form could end my career as a small business owner altogether.

I have been an Independent Business Owner representing a manufacturing company for more than three years. I decided to market my company's products in the first place because I judged them to be of excellent quality and performance. Corporate America has abandoned many men of my age as being too expensive to keep on the payroll. Rather than work several low-paying menial jobs at the same time to support my family, I chose to work for myself and yet not be forced to diminish my lifestyle. Today, my family's support is derived through and dependent upon my direct marketing business.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new distributors. Registration in my company only costs \$49.00. Along with this fee, the company provides a new business owner's kit: a reference package containing extensive information about my company, business program, and products. People buy household appliances, TVs, cars, and many other items that cost much more, and yet they need not wait seven days to make a purchase. This waiting period could unfairly single out my business and make it more difficult to operate by giving the impression that there might be something wrong with the company I represent or the products I market. I also think this seven-day waiting period is unnecessary, because my company, as a Direct Selling Association member, already provides a 90% buy-back policy for all products, including sales kits, purchased by any distributor within the previous twelve months. Under the proposed waiting period requirement, I would be required to

keep very detailed records of when I first speak to someone about my company and its business opportunity. Furthermore, I would then be required to send in many reports to my company headquarters. This would place an unnecessary, expensive, and time consuming burden upon both me as an independent business owner and the company I represent.

R511993, as it is now written, also calls for the release of information regarding lawsuits involving misrepresentation and/or unfair and deceptive practices regardless of the outcome. It does not matter if the company I represent or I were found innocent. Today, any person or any company can be sued for almost any reason, and there are people who file frivolous lawsuits from less than legitimate motives. For the average citizen who does not understand this fact or the ramifications of a lawsuit, any mention of a past or present lawsuit represents “bad news.” This could create a negative impact on my business regardless of the nature or outcome of the suit. It does not make sense to me that I should have to disclose any lawsuit unless my company was found guilty of misrepresentation and/or unfair and deceptive practices. To require otherwise, would put my company and me at an unfair competitive disadvantage in the marketplace when there has been no wrong doing found.

Finally, R511993 requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser – a requirement that is not made of other sellers or stores and is in direct violation of the privacy laws. I could provide references, but in this day of identity theft and sexual predators, I am very uncomfortable about giving out the personal information of other individuals to strangers, even if those individuals give me permission to do so. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses, including those of my competitors. In order to get the list of the 10 prior purchasers, I would need to send the address of the prospective purchaser to my company’s headquarters and then wait for the list to be compiled and sent to me. I also think the following sentence required by R511993, as proposed, will prevent many people from wanting to purchase a product - “If you buy a product or service from the seller, your contact information can be disclosed in the future to other buyers.” People are very concerned about their privacy, identity theft, and personal safety. They will be concerned about and reluctant to permit having their personal information shared with complete strangers.

In conclusion, while I support the efforts of the Federal Trade Commission to oversee and examine companies for inappropriate practices, this proposed new rule is written such that it is unfair to ethical companies that offer a good product in good faith to qualified customers and offer a legitimate business opportunity to interested persons seeking to be independent business owners. In other words, I believe it targets only the ethical and honest companies because the fraudulent and unscrupulous companies would simply ignore the rule and operate as they always have done.

**For the above reasons, I respectfully oppose Business Opportunity Rule R511993 and request its immediate withdrawal.**

Thank you for considering my comments.

R. D. Palmer, Jr.